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C O N F I D E N T I A L KATHMANDU 000690

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DEPT FOR SCA/INS

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TAGS: [PTER](#) [PGOV](#) [PREL](#) [PHUM](#) [NP](#)
SUBJECT: MAOIST BLOCKADE DISRUPTS DAILY LIFE IN NEPAL

REF: KATHMANDU 633

Classified By: CDA John Schlosser. Reasons 1.4 (b/d).

Summary

1. (U) Transport came to a standstill on March 14, crippling routine activity in many areas of the country on the first day of the Maoists' indefinite blockade of district headquarters. Although only about ten percent of normal traffic entered or exited the Valley, there was little impact on daily life in the Kathmandu Valley. In the ongoing discussions between Maoists and seven-party alliance leaders in New Delhi, Party leaders continued to urge the Maoists to call off the blockade and a proposed indefinite nationwide general closure/strike (bandh) set to begin on April 3 and publicly threatened to withdraw from their 12-point understanding if the Maoists did not do so. In Delhi, the Maoists are reportedly asking the alliance to unite with the Maoists to form a parallel government. In the second split between senior Maoists in the last year, on March 14 Maoist leader Prachanda expelled two "traitors" who had criticized senior Maoist leadership of "ideological deviation." Home Minister Kamal Thapa announced a "Surrender and Rehabilitation Policy" with a mid-June deadline of incentives to encourage four levels of Maoist cadre to surrender to government security forces. Meanwhile, Maoist violence continued throughout the country. End Summary.

Maoist Blockade Cripples Life Outside Kathmandu

2. (U) Maoist threats of violence to enforce their indefinite transportation blockade and shutdown (chhakhajam) of the Kathmandu Valley and district and regional headquarters stopped normal life in much of the country outside the Kathmandu Valley on March 14, the first day of the blockade. While life in Kathmandu was largely unaffected, newspapers reported the strike was effective in the western tourist city of Pokhara, the far-western terai city of Nepalgunj, and the eastern terai city of Janakpur, where the strike prevented some locals from observing the Hindu festival of Holi. Many vehicle owners and operators chose not to run vehicles in defiance of the ban, though others decided to carry on normal service. Makalu Bus Service operator Parsuram Singh noted

that the company had not operated on March 14 because of the Holi festival, but had "sold tickets for Thursday (March 16) and will resume our regular service." The lack of transport caused large amounts of vegetables, poultry and dairy products from rural areas not to reach markets in cities. Although there was a heavy security force presence on major highways, the police reported that only 175 vehicles, including 35 motorcycles and eight ambulances, entered the valley; while 299 vehicles, including 118 motorcycles, left the capital. On normal days, the aggregate number of vehicles entering and leaving the Kathmandu Valley exceeded 3,500. While the Maoists did not take widespread action against vehicles defying their ban, they reportedly set fire to a truck and abducted a driver on the east-west highway in the eastern district of Saptari.

Party Leaders Urge Maoists To Call Off Strike

¶3. (U) Leaders of the seven party alliance again urged the Maoists to call off the blockade and the upcoming nationwide strike as such actions had an adverse effect on public life (ref A). Pradip Nepal (UML) warned that the Parties would be compelled to pull out of the 12-point understanding if the Maoists did not halt the upcoming nationwide strike, set to begin April 3. "If the Maoists remain adamant in their stance, ignoring the continuous appeal to withdraw such strikes, the alliance has no option but to pull out" of the 12-point understanding. Arjun Narsingh KC (NC) also expressed the hope that the Maoists would withdraw the strike for the benefit of the people, especially students studying for the School Leaving Certificate Exam (about 332,000 students are set to take the exam at 994 test centers on March 27), and the Parties' peaceful protest in Kathmandu set for April 8. The Damak Chamber of Commerce in far-eastern Nepal released a statement urging the Maoists to lift the blockade. The Chamber also accused Home Minister Kamal Thapa of underestimating "the gravity of the issues and making a baseless statement about the impact of the rebel-imposed blockade."

Maoist-Party Dialogue Continues in New Delhi

¶4. (C) Talks between the Maoists and the seven party alliance continued in New Delhi, with little information leaking out about the discussion. Minendra Rizal, NC(D) spokesperson, told Emboff that he could not say what was going on in New Delhi as he did not know and would have to wait for news before commenting on the discussions. Press speculated on March 12 that the Maoists were seeking the formation of a parallel government, as well as a joint slogan and united front, and constituent assembly. On March 14 the press reported that the talks were not going smoothly as Party leaders in Kathmandu were hesitant to launch any new joint program or statement with the Maoists, until the Maoists followed the current 12-point understanding. (Note: According to the March 15 English-language daily The Kathmandu Post, Maoists have not released eleven UML cadre kidnapped on March 7 and on March 12, they kidnapped an NC party member who had refused to pay extortion. End Note.)

Maoists Expel Two "Traitors"

¶5. (U) In the second public rift in the Maoist party, following last year's well publicized split between Maoist leader Prachanda and Baburam Bhattarai, which has since been resolved, Maoist leader Prachanda expelled two top Maoist cadre from the party on March 14. (Note: Indian Ambassador Mukherjee downplayed the importance of this expulsion and predicted that the two would be rehabilitated within a matter of weeks after undertaking remedial education or other such Maoist penitence. End note.) Prachanda publicly issued a statement labeling Mani Thapa (a.k.a. Anukul) and Rabindra Shrestha as "traitors" and "declaring them deserters of the revolution and collaborators of the autocratic monarchy and the reactionaries." Shrestha had supported Prachanda and

Thapa had supported Bhattarai during last year's rift. On March 13 the duo accused top Maoist leaders of "political deviation" for refusing to allow "open debate" within the party on Prachanda's remarks that the Maoists were willing to accept multiparty competition and monarchy if the people voted in favor of a constituent assembly. The two also alleged that senior Maoist leaders had spent most of their time in a "foreign country" and that neither the leaders nor their children had fought on the front lines in Nepal. They singled out Prachanda for promoting his son within the party hierarchy while demoting other leaders, and second in command Baburam Bhattarai for sending his daughter to London to obtain a "bourgeois diploma."

Government Announces "Surrender and Rehabilitation Policy"

¶6. (U) On March 13, Home Minister Kamal Thapa unveiled enhanced government measures to induce Maoist cadre to give up and turn in their arms. While much of the "Surrender and Rehabilitation Policy" was not new, including paying Maoists to surrender and to hand over their weapons, and promising skills training, the government announced a mid-June deadline for their incentive offers and increased the amount of money offered to top Maoist leaders who surrendered to up to 1 million NR (14,000 USD). Thapa stated, "we are implementing the policy as we have come to know that there is a large number of people willing to give up terrorist activities." He continued, "they want safety for their lives and guarantee of livelihood once they surrender." Thapa categorized the rebels into four groups, determined on past activities and influence within the Maoist movement. The highest reward was for central leaders and military commanders above district level who surrender in groups with arms. The second level was for Maoist cadre involved in any activities and district level leaders. The third category was for those involved in Maoist activities for more than two years. The fourth level was for general supporters of the Maoists or those used by the Maoists. The government established a 10 million NR (140,000 USD) fund to provide this assistance to Maoists who want to surrender. The plan also stated that former Maoists would be "prioritized to be sent for foreign employment." Under the plan, the government would construct a new rehabilitation facility in Kathmandu, to give added security to high level Maoists who surrendered. The current rehabilitation facility at Dhakaltar, three hours southwest of Kathmandu, would continue to rehabilitate lower level Maoists who surrendered.

Maoist-Government Clashes Continue

¶7. (U) Between March 12-14, Maoists continued violent activities around the country. On March 14, security forces killed three Maoists in a clash in the eastern hill town of Dhankuta. On March 13, Maoists killed a civilian while firing on a group of police when robbing 1.6 million NR (22,500 USD) from a bank in the far-western city of Nepalgunj. On March 12, Maoists entered schools in Parbat, west of Pokhara, while exams were in progress, and burned students' papers. Maoists also bombed a District Revenue Office in the eastern terai city of Inaruwa, damaging the building but causing no injuries.

Comment

¶8. (C) The split between Maoist cadre shows some turmoil within the Maoist ranks; it also underlines that Prachanda will not allow any dissent or debate about Party policies or criticism of its top leaders. Although their talks with the Parties in Delhi continue, the imposition of the blockade of major cities and the ongoing violence shows that the Maoists have yet to relinquish their traditional methods. In the past, security-escorted convoys helped to limit the Maoists' ability to sustain their transportation blockades along the highways to about a week. Police contacts informed us that on March 16, security forces are planning to start escorting

convoys from India to Kathmandu along the main transit route.

The announcement of new government incentives may encourage some Maoists to give up arms, but as one editorial put it, the measure is mainly intended to entice "waverers" in the Maoist camp. It is unlikely to attract the majority of Maoists.

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